

**Introduced by Committee on Energy, Utilities and
Communications (Senators Bowen (Chair), Battin, Dunn,
Morrow, and Sher)**

February 12, 2003

An act to amend Section 445 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 168, as introduced, Committee on Energy, Utilities and Communications. Renewable Resource Trust Fund.

Existing law provides for the Renewable Resource Trust Fund in the State Treasury and establishes certain accounts in the Renewable Resource Trust Fund. Existing law requires, upon notification by the Energy Commission, the Controller to pay all awards of the money in the accounts for certain renewable energy purposes. Existing law requires the Energy Commission to report to the Legislature on the implementation of these provisions on a quarterly basis.

This bill instead would require the Energy Commission to report to the Legislature on the implementation of the Renewable Resource Trust Fund on an annual basis.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 445 of the Public Utilities Code is
- 2 amended to read:
- 3 445. (a) The Renewable Resource Trust Fund is hereby
- 4 created in the State Treasury.

(b) The following accounts are hereby created within the Renewable Resource Trust Fund:

- (1) The Existing Renewable Resources Account.
- (2) New Renewable Resources Account.
- (3) Emerging Renewable Resources Account.
- (4) Customer-Credit Renewable Resource Purchases Account.
- (5) Renewable Resources Consumer Education Account.

(c) The money in the fund may be expended for the state's administration of this article only upon appropriation by the Legislature in the annual Budget Act.

(d) Notwithstanding Section 383, that portion of revenues collected by electrical corporations for the benefit of in-state operation and development of existing and new and emerging renewable resource technologies, pursuant to paragraphs (3) and (6) of subdivision (c) of Section 381, shall be transmitted to the State Energy Resources Conservation and Development Commission (hereafter the Energy Commission) at least quarterly for deposit in the Renewable Resource Trust Fund. After setting aside in the fund money that may be needed for expenditures authorized by the annual Budget Act in accordance with subdivision (c), the Treasurer shall immediately deposit money received pursuant to this section into the accounts created pursuant to subdivision (b) in proportions designated by the Energy Commission for the current calendar year. Notwithstanding Section 13340 of the Government Code, the money in the fund and the accounts within the fund are hereby continuously appropriated to the Energy Commission without regard to fiscal year for the purposes enumerated in Section 383.5.

(e) Upon notification by the Energy Commission, the Controller shall pay all awards of the money in the accounts created pursuant to subdivision (b) for purposes enumerated in Section 383.5. The eligibility of each award shall be determined solely by the Energy Commission based on the procedures it adopts under subdivision (h) of Section 383.5. Based on the eligibility of each award, the Energy Commission shall also establish the need for a multiyear commitment to any particular award and so advise the Department of Finance. Eligible awards submitted by the Energy Commission to the Controller shall be accompanied by information specifying the account from which payment should be made and the amount of each payment; a

1 summary description of how payment of the award furthers the
2 purposes enumerated in Section 383.5; and an accounting of future
3 costs associated with any award or group of awards known to the
4 Energy Commission to represent a portion of a multiyear funding
5 commitment.

6 (f) The Energy Commission may transfer funds between
7 accounts for cashflow purposes, provided that the balance due
8 each account is restored and the transfer does not adversely affect
9 any of the accounts. The Energy Commission shall examine the
10 cashflow in the respective accounts on an annual basis, and shall
11 annually prepare and submit to the Legislature a report that
12 describes the status of account transfers and repayments.

13 (g) The Energy Commission shall, on ~~a quarterly~~ *an annual*
14 basis, report to the Legislature on the implementation of this
15 article. Those ~~quarterly~~ *annual* reports shall be submitted to the
16 Legislature not more than 30 days after the close of ~~each quarter~~
17 *the fiscal year* and shall include information describing the awards
18 submitted to the Controller for payment pursuant to this article, the
19 cumulative commitment of claims by account, the relative demand
20 for funds by account, a forecast of future awards, and other matters
21 the Energy Commission determines may be of importance to the
22 Legislature.

23 (h) The Department of Finance, commencing March 1, 1999,
24 shall conduct an independent audit of the Renewable Resource
25 Trust Fund and its related accounts annually, and provide an audit
26 report to the Legislature not later than March 1 of each year for
27 which this article is operative. The Department of Finance's report
28 shall include information regarding revenues, payment of awards,
29 reserves held for future commitments, unencumbered cash
30 balances, and other matters that the Director of Finance determines
31 may be of importance to the Legislature.

